

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
2000 Biennial Regulatory Review --)	CC Docket No. 00-199
Comprehensive Review of the)	
Accounting Requirements and)	
ARMIS Reporting Requirements for)	
Incumbent Local Exchange Carriers:)	
Phase 2 and Phase 3)	

COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint"), on behalf of its local and long distance divisions, submits further comments in Phase 2 of the Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers ("ILECs"), pursuant to the Public Notice issued by the Commission in DA 01-1403.¹

Sprint supports the Commission's efforts to update the accounting system and streamline Class A and B accounts. This worthwhile exercise will lighten administrative costs, benefiting both carriers and consumers. Sprint concurs with most of the changes proposed by the Commission.

In these Comments, Sprint will make three points. First, Sprint opposes any loss of accounting detail in accounts that parties may rely upon to determine or verify jurisdictional separations, price caps, universal service mechanisms or network element pricing. Second, Sprint opposes the proposed deletion of Account 5084, entitled "State access revenue," as

¹ Comments were originally filed in response to the *Notice of Proposed Rulemaking ("NPRM")* in the above referenced docket, released on October 18, 2000, as FCC 00-364.

the burdens of this deletion outweigh the benefits. Finally, Sprint seeks clarification or explanation of at least some of the proposed changes, so that Sprint can understand both why an account was eliminated and to where the amounts recorded in that account should be assigned.

As stated in Sprint's original comments in this docket, Sprint has no objection to the elimination of Class A accounts that are not necessary for purposes of jurisdictional separations, price caps, universal service mechanisms or network element pricing. The level of detail provided in some Class A accounts is needed in determining costs for unbundled network elements and universal service funding for the four major ILECs (the "RBOCs"). Specifically, detail is needed in the 24xx, 64xx and 65xx accounts, which cover different types of plant and various expenses, including maintenance.² In the Public Notice, the Commission has proposed to eliminate the Submarine and Deep sea cable asset accounts³ along with the corresponding expense accounts.⁴ It is not clear where the Commission intends to assign the actual assets and expenses once these categories are eliminated. Sprint assumes that these assets and expenses will be assigned to either the Underground or Buried cable accounts.⁵

Sprint opposes incorporating Submarine and Deep sea cable accounts into other accounts, especially Underground or Buried cable accounts. While the Submarine and Deep sea cable accounts are not of great significance, they do serve an important role by not contaminating the Underground and Buried cable accounts with unusual or ill-matched amounts. Underground and Buried cable are key factors in determining loop costs. It is

² Sprint Comments at 6-8.

³ Accounts 2424 and 2425

⁴ Submarine cable expense (Account 6424) and Deep sea cable expense (Account 6425).

⁵ Asset accounts 2422 or 2423, and Expense accounts 6422 or 6423.

important to maintain the integrity of these accounts. Sprint is not certain how, for example, Submarine cable expenses would affect Underground or Buried cable expense figures, but it is certain that the Underground or Buried cable expense accounts will be purer, and thus more accurate, if Submarine cable expenses are excluded.

Along the same lines, Sprint sees potential benefit in maintaining some detail in depreciation and amortization expense accounts. Currently, there are five separate accounts covering various depreciation or amortization categories.⁶ The Commission's proposal, Sprint assumes, is to consolidate all depreciation and amortization accounts into one umbrella account, Account 6560, entitled "Depreciation and amortization expenses." Sprint believes that it is important to retain the detail accounts as potential tools for maintaining a check on the accuracy of RBOC cost studies.

Sprint opposes eliminating Account 5084, State access revenues. The deletion of Account 5084 appears to require ILECs to incorporate intrastate access revenue into Accounts 5081 (End user revenue), 5082 (Switched access revenue) and 5083 (Special access revenue). If so, intrastate access revenue and interstate access revenue will be combined in Accounts 5081, 5082 and 5083. Combining intrastate and interstate access revenues for reporting purposes will require changes to Sprint's internal billing systems. Sprint believes that the cost of making a billing system adjustment to comply with this account change exceeds any benefit gained by deleting the State access revenue account, because ILEC's such as Sprint must still track and report interstate and intrastate revenues separately.

Finally, Sprint requests that the Commission elaborate on both the reasons for proposed account deletions and on where ILECs should assign amounts currently recorded in accounts targeted for deletion. The reasons for many of these changes can be inferred, as

⁶ Accounts 6560-6565.

many deletions are due to the fact that the detail is no longer needed or useful, and thus a number of accounts can be rolled up into one summary account. An example of this is the consolidation of the prepaid asset accounts (Accounts 1290-1330) into one summary account (Account 1280) entitled "Prepayments."

However, the reasons and effects of other changes should be confirmed. For example, where Accounts 5100-5270 represented 25 accounts related to long distance revenues, the Commission now proposes two accounts.⁷ Sprint requests some explanation as to how the current 25 accounts fold into the two remaining accounts. Sprint seeks clarification on the appropriate account description proposed for expense account 6510. The proposed Class A description for this account is "Property held for future telecommunications use expense," while the proposed Class B description is "Other property, plant and equipment expenses." Further, Sprint seeks clarification on the intended use of new Accounts 5090 (USF support revenue) and 6554 (USF support expense). Does the Commission intend to assign both federal and state USF support revenue and expenses to these respective accounts? These and other changes require elaboration from the Commission.⁸

In summary, Sprint recommends that the Commission retain Accounts 2424, 2425, 5084, 6424, 6425 and 6561-6565, and explain why other accounts were eliminated and where the amounts currently recorded in those accounts should be assigned.

⁷ Account 5105 (Long distance message revenue) and Account 5200 (Miscellaneous revenue).

⁸ Deletions of other accounts that raised questions include Accounts 1401-02, 1407-08, 3420, 3500 and 3600.

Respectfully submitted,

SPRINT CORPORATION

By _____ //s//

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CERTIFICATE OF SERVICE

I, Joyce Walker, hereby certify that I have on this 16th of July 2001, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing “Comments of Sprint Corporation” In the Matter of 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3, CC Docket No. 00-199, filed this date with the Secretary, Federal Communications Commission, to the persons on the attached service list.

 //s//
Joyce Walker